It’s time to consider again the implications of consumers’ growing concerns about the sustainability of the environment on businesses in our industry.

By Bridget Behe

The economic conditions of the past two years have greatly changed how many consumers earn, spend and save. As our country works (or literally spends) its way out of the economic downturn, many of us may need to re-think our “value” proposition. If beauty is in the eye of the beholder, then most certainly value is now truly defined from the perspective of the consumer. So how do you make your products and services valuable especially from the consumer perspective?

Focus on value
Price is a part of the conversation; but don’t make it the only talking point. Put the focus on value: what you get for what you pay. Cost comes into play for setting prices, but is one of many factors. If you focus on cost to set price, you’re likely to focus on price above other factors.

Take a hard look at the prices of key products. If you’re not earning sufficient profits on those key products, you’re less likely to be achieving your overall profit goal. Can you afford to raise prices now? The better question is can you afford not to?

The late Will Carlson, Michigan State University horticulture professor, once asked a grower who didn’t fully understand his costs, “Do you write your customers a check for the total order you deliver or do you tape a quarter to each pot before it goes out?” Most can see the logic in that question and how critical it is to understand production costs.

Setting prices
As you move away from costs into setting prices, there are other factors to consider, but those factors depend on what the product is. One way to help you look at a product is does a competitor sell it? If the answer is yes, then you’re forced to be competitive on the price you set. However, if you sell a larger size, a different color, a better plant or a premium product, you’re in much better shape. If it is different from the competitors’ products, then you’re in a better position to raise prices.

Defining value
After you’ve set the price, take the next step and direct the focus away from price and onto value. Think about the benefits of all those great product features. For example, why should a customer pay for a larger plant? The benefit (and the driver of value) is that the customer doesn’t have to wait for the plant to get larger to fill in an area.

What is the value to customers buying components and putting together their own mixed container garden on-site? The benefit is that they get to customize their planter, but use their labor (a savings) and receive guidance on putting together the combination.

What is the value to a customer who wants to have you or your landscape partner install the plants they purchase? The customer can install the smaller items, but needs help to install the larger plant material.

What’s the value in buying plants at all? Life with blacktop and concrete is cold and boring. Plants add color to the landscape and grow in size, increasing the return on a customer’s investment. Plants remove carbon dioxide from the atmosphere and produce clean oxygen. They shade buildings helping to reduce heating and cooling costs. They can invite wildlife (butterfly gardens) or repel them (barberry). If these benefits are communicated as ways of adding value, consumers can easily focus just on price.

Providing a value menu
We all may need to be more diligent about focusing on value. Consider devising a value menu similar to what some of the fast food restaurants have done. Your value menu can feature those products that can be found at numerous suppliers at competitive prices. Don’t include unique items or you’ll sell
them short. Plant retailers should offer a garden for every budget – even if that garden is one single plant.

A value menu might include the positive values of growing your own food? Tomato plants could be priced from $0.99 to $19. Some customers may want the cheapest $0.99 plants, but others might prefer a larger plant for $2.99 or one that’s even large in a 2-gallon container with a cage and fruit set for $19. How many $0.99 plants would you need to sell to earn the profit on one $19 tomato?

The value of beauty

Don’t disregard the value of beauty. Our industry markets one of the most beautiful products, but do we focus on that? Do we promote the American Floral Endowment-funded research that shows that flowers put a smile on a person’s face? Do we talk about how much perceived value colorful landscapes add to the value of a home? Do we talk about stopping to smell the roses or petunias or carnations with our customers? After a high-tech, high-stress work week, looking at and being around our products can relax and rejuvenate. More consumers need to invest in their sanity and plant some flowers.

Value options

The value proposition can be built in many ways from a simple weekend project to a DIY mixed container, hanging basket, or window box. On weekends retailers could assign an employee to provide 15-minute seminars or pep-talks to want-to-be gardeners or first-timers. A company’s web site could provide some simple steps and coaching. Suggest landscape companies if the DIY job starts to get out of hand. Remind your customers that a garden doesn’t have to be an all-or-nothing proposition. It can be built and developed over time and can change with the seasons and reward the gardener over time.

Many consumers have been changed by recent economic events. Budgets may not return to their former levels as some people have taken stock of what they really need. Those needs will be where their budget dollars will be spent. Will your products be on that list or not? Why take the chance of becoming expendable when you can make a case for real value. Our industry needs to make a concerted effort to remain a real and relevant value for nearly every U.S. household.

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